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C O N F I D E N T I A L SECTION 01 OF 05 BEIJING 011758

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TAGS: [PREL](#) [ECON](#) [CH](#) [IR](#) [KZ](#) [RS](#)  
SUBJECT: AMBASSADOR'S MEETING WITH SCO SECRETARY GENERAL  
ZHANG DEGUANG

REF: A. A) 05 BEIJING 16701

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[1](#)C. C) BEIJING 8927

Classified By: Ambassador Clark T. Randt, Jr. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) The United States is gravely concerned over the participation, even as an observer, by Iran, a state sponsor of terrorism, in the Shanghai Cooperation Organization (SCO) Summit to be held in Shanghai June 15, the Ambassador stressed to SCO Secretary General Zhang Deguang on June 9. The

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Ambassador noted that Zhang had claimed at a June 6 press conference that there is no evidence that Iran is a state sponsor of terrorism in response to Secretary Rumsfeld's public comments. The Ambassador

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underscored Secretary Rumsfeld's concerns and handed Zhang a non-paper drawn from the Department's annual Terrorism Report outlining why Iran is the leading state sponsor of terror.

[1](#)2. (C) Iranian President Ahmadinejad may well try to manipulate the Summit to promote his own agenda on matters such as the nuclear issue, the Ambassador noted. Zhang said he met June 8 with the Iranian Charge in Beijing to stress that the six member states

of the SCO, not observer states like Iran, are responsible for the SCO Summit. The Iranian side understands that it cannot speak for the SCO. Reporters may ask Ahmadinejad questions and he may answer them, but in the unlikely event that Ahmadinejad purports to speak for the SCO, Zhang will publicly set the record straight. There are no plans to discuss the Iran nuclear issue at the Summit. Press reports that Iran has resumed enrichment of uranium are not encouraging but it is necessary to see what Iran does over the longer term, Zhang said.

13. (C) The Ambassador expressed the strong objection of the USG over last year's SCO Astana Declaration call for a timetable for drawing down Coalition Forces engaged in Afghanistan. He strongly urged that there be no repeat this year. Zhang said the Astana Declaration reflected the situation at the time, when conditions in Afghanistan appeared to be stabilizing. It was not an ultimatum. President Karzai will attend the SCO Summit and the SCO and Afghanistan will seek to enhance cooperation through the Contact Group they have established, Zhang said. End Summary.

#### Grave U.S. Concern over Iranian Participation

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14. (C) During a June 9 lunch, the Ambassador stressed to Shanghai Cooperation Organization Secretary General Zhang Deguang (Ref A) grave U.S. concern over Iranian President Mahmoud Ahmadinejad's participation in the June 15 SCO Summit in Shanghai. Washington is very concerned that Ahmadinejad will try to use the Summit as a platform for his own agenda and present the SCO as an alternative to the EU-3 and the United States in seeking a resolution to the Iran nuclear issue. The Ambassador underscored Secretary Rumsfeld's publicly

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stated concern that the SCO, an organization whose purported main objective is to fight terrorism, is inviting Iran, the world's leading state sponsor of terrorism, to its Summit. Highlighting that Ahmadinejad has called for the obliteration of Israel, the Ambassador noted that during a June 6 press conference (Ref B) Zhang claimed that there is no evidence to prove Iran is a state sponsor of terrorism. Despite Iran's claims that it does not support terrorism, the ground truth is extremely different. While the SCO opposes the "Three Evil Forces" of terrorism, separatism and extremism, Iran is a leader in globally promoting two such forces: terrorism and extremism. The Ambassador passed Zhang a non-paper the text of which is drawn from the State Department's annual Terrorism Report outlining why Iran is in fact a state sponsor of terrorism.

15. (C) Secretary General Zhang said U.S.-SCO communication is extremely important in order to avoid misunderstandings over matters such as U.S. concerns over Ahmadinejad's potential use of the SCO as a tool to advance his own agenda. The U.S. Government believes that Iran is a state sponsor of terrorism, but the SCO does not support this conclusion or definition, Zhang remarked. Iran, in the process of becoming an SCO observer, pledged to support the SCO's international counterterrorism efforts. The SCO pursues regional stability and economic and other multilateral forms of cooperation. It is an open organization. The SCO is not an anti-U.S. or anti-Western alliance and it cannot be manipulated into opposing any third party. These principles are enshrined in the SCO Charter, which has been agreed upon by all SCO members' heads of state, Zhang continued.

¶16. (C) Zhang stressed that the SCO's decision-making authority is reserved solely for SCO member states, not observer states like Iran. Only SCO members formulate the Summit's agenda and procedures. Observers do not participate in the process. Non-members, including observers and representatives from other international organizations, will not be able to influence members' decisions. This policy has already been communicated to observer countries. Zhang noted that he met Iranian Embassy Charge d'Affaires Farhard Assadi June 8 at the SCO Secretariat in Beijing. Assadi expressed a clear understanding of what rights Iran does and does not have as a Summit observer, according to Zhang.

¶17. (C) Zhang said SCO observers do not have the right to utilize the Summit to pursue their individual policy interests. Their activities and remarks must be conducted in accordance with the SCO spirit. According to relevant SCO regulations, observers cannot make statements that oppose or contradict SCO principles and cannot engage in activities that attack the organization. Failure to comply with these rules could cause them to lose their observer status. Regarding reports that Iran may seek full SCO membership at the Summit, Zhang stated that the SCO

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has not yet created any legal foundation for the acceptance of new members. The current member states need to determine the criteria before any new countries can qualify for membership. There are going to be no new members emerging from this Summit, Zhang declared.

Iran Cannot Speak for SCO

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¶18. (C) The Ambassador expressed concern that Ahmadinejad could organize his own press conference on the sidelines of the Summit and that his comments might embarrass China and be misconstrued as representative of the SCO position. Zhang said Ahmadinejad cannot speak for the SCO. No SCO member supports Ahmadinejad's rhetoric against Israel. The SCO will arrange for members' heads of state to address the media but there are no plans for the SCO to arrange a press conference for Iran. If Ahmadinejad is approached by reporters or chooses to talk with the press on his own, he should not misrepresent his personal statements as the views of the SCO. If he does, Zhang said he will personally and publicly renounce any linkage between Ahmadinejad's remarks and the SCO position.

No SCO Plan to Discuss Iran Nuclear Issue

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¶19. (C) The SCO appreciates and supports the momentum achieved in resolving the Iranian nuclear issue through negotiation, Secretary General Zhang remarked. There has been no specific discussion of the issue within the SCO framework, although the SCO does plan to discuss nonproliferation issues at a general level as part of its foreign ministry consultations. There is no plan to discuss the Iranian nuclear issue at the Summit. Any future decision to raise the matter must be based on the consensus of the six member states, he said.

¶10. (C) The Ambassador noted that the morning press reports indicating that Iran had restarted its uranium

enrichment activities were not an encouraging sign for the negotiations. Zhang agreed that these reports are not encouraging, while adding that it is necessary to watch what Iran does over the longer term. Negotiations and a gradual deepening of ties will help reduce the hostility, he alleged. The SCO would welcome an improvement in U.S.-Iran relations and appreciates U.S. efforts to promote a peaceful resolution to the nuclear issue. The past 27 years without diplomatic relations have not benefited either the United States or Iran, which is a major regional power, Zhang continued. Any military threat against Iran would be counterproductive and should be avoided. Zhang asserted that Iran is prepared to negotiate understandings with the United States on many issues, including Iraq.

#### Astana Declaration

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¶11. (C) The Ambassador underscored the USG's strong

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objection to the 2005 SCO Astana Declaration's call (Ref C) for a timetable for Coalition troops' withdrawal from Afghanistan. This sends the wrong signal to terrorists in Afghanistan. The Ambassador strongly urged that there be no repeat this year. Zhang said the Astana Declaration reflected the situation at the time, when conditions in Afghanistan appeared to be stabilizing. It is not an ultimatum, he said.

¶12. (C) Zhang remarked that terrorism is a global problem. SCO countries, including China, Russia and Uzbekistan, support Coalition counterterrorism efforts in Afghanistan following the September 11 attacks. Zhang criticized the view that Central Asia is a "big chess board," adding that this concept denotes a zero-sum game. Central Asia cannot be monopolized by any power nor should countries compete for influence or seek to exclude others from the region. Zhang asked about reports that the United States is seeking to establish a regional organization to counterbalance the SCO. The Ambassador said he is not familiar with such reports. The USG is not moving to set up any rival organization to the SCO, he added.

#### President Karzai to Attend

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¶13. (C) Zhang confirmed that Afghanistan President Karzai will attend the upcoming Summit as a guest. This will be Karzai's second time at an SCO Summit, following his participation in the 2004 Tashkent Summit, which formally established the SCO-Afghanistan Contact Group. The functions of the Contact Group, whose members consist of SCO Secretariat officials, permanent representatives of member states to the SCO Secretariat, the Afghan Ambassador and other Afghan

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officials, are to exchange counterterrorism information and provide Afghanistan with reconstruction assistance. The specific projects have not yet been finalized and will be further discussed during President Karzai's visit. Zhang remarked that the Contact Group and U.S. efforts in Afghanistan are not competing and share the goal of promoting stability and reconstruction in Afghanistan.

#### SCO Direction Will Not Change

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¶14. (C) The Shanghai Summit will focus on summarizing the SCO's experience over the past five years,

reaffirming the organizations' firm principles and seeking to generate more concrete results, according to Zhang. Some member countries, such as Kyrgyzstan, which is facing significant economic hardships, want the SCO to offer more development assistance. Counternarcotics will not be a major topic for the heads of state but will be left for expert group discussions, he said.

¶15. (C) The SCO's slogan of "peace, cooperation, openness and non-alignment" will not change in the future, Secretary General Zhang responded in answer to the Ambassador's question about the SCO's future role. The SCO will continue its regional activities of combating terrorism, separatism, extremism, drug

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trafficking, weapons smuggling and transnational crime. The organization will further promote economic and trade cooperation in areas including energy, transportation and environmental protection. In addition, the SCO will try to strengthen cultural and educational exchanges. Planned large-scale projects, such as power plants, will be funded by an SCO inter-bank consortium comprising representative banks from the six member countries, with the China Development Bank as chair. Some experts have suggested that the SCO seek funding from sources outside the SCO, Zhang noted.

#### U.S.-Russia Relations Deteriorated

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¶16. (C) Zhang, a Russia expert who served as a diplomat in the former Soviet Union for many years, opined that U.S.-Russia relations have deteriorated, citing recent public opinion polls in both countries. He characterized criticism in the United States over Russia's backsliding on democracy as biased, remarking that Russia's democracy is constantly evolving, albeit not moving forward in a straight line. Some U.S. scholars have unfairly characterized the prosecution of powerful oligarchs. One example is former Yukos Chairman Khodorkovsky, who has been proven by the Russian law system guilty of tax evasion. Khodorkovsky has no popular support in Russia, Zhang claimed. The USG ought to support President Putin, Zhang stated.

#### Kazakhstan the Rising Star in the Region

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¶17. (C) Noting that he is personal friends with Kazakh President Nazarbayev, Secretary General Zhang praised Kazakhstan's fast economic growth and Nazarbayev's leadership, asserting that in 10 years the country will have one of the most competitive economies in the world. Despite claims by insignificant opposition groups, Nazarbayev truly enjoys overwhelming public support, Zhang alleged.

RANDT